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9 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
10 **SAN FRANCISCO DIVISION**

11
12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
20 ☒ Affects both Debtors

21 ** All papers shall be filed in the Lead Case, No.*
22 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**DECLARATION OF RENEE RECORDS IN
SUPPORT OF REORGANIZED DEBTORS'
SIXTIETH OMNIBUS OBJECTION TO
CLAIMS (NO LIABILITY / PASSTHROUGH
CLAIMS)**

Response Deadline:
March 24, 2021, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: April 7, 2021

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 I, Renee Records, pursuant to section 1746 of title 28 of the United States Code, hereby declare
2 under penalty of perjury that the following is true and correct to the best of my knowledge, information,
3 and belief:

4 1. I am the Claims Manager at Pacific Gas and Electric Company (the “**Utility**” or “**PG&E**,”
5 and, with PG&E Corporation, the “**Debtors**,” or, as reorganized pursuant to the Plan, the “**Reorganized**
6 **Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”). I submit this Declaration
7 in support of the Reorganized Debtors’ Sixtieth Omnibus Objections to Claims (No Liability /
8 Passthrough Claims) (the “**Omnibus Objection**”),¹ filed contemporaneously herewith.

9 2. As part of my job duties, I manage, administer, and monitor third-party claims,
10 investigations, and incidents for final determination of property damage, bodily injury, and business
11 interruption. I oversee department caseload to ensure integrity and regulatory compliance. I develop and
12 present key analysis and reporting to enterprise officers, operations managers and clients regarding third-
13 party incidents.

14 3. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon
15 my personal knowledge, the knowledge of other PG&E personnel working under and alongside me on
16 this matter, my discussions with the Reorganized Debtors’ various other advisors and counsel, and my
17 review of relevant documents and information. If called upon to testify, I would testify competently to
18 the facts set forth in this Declaration. I am authorized to submit this declaration on behalf of the
19 Reorganized Debtors.

20 4. The No Liability / Passthrough Claims are identified on **Exhibit 1** to the Omnibus
21 Objection, in the columns headed “Claims To Be Disallowed and Expunged.” **Exhibit 1** also specifically
22 identifies in the “Basis for Objection” that the No Liability / Passthrough Claims are classified as one of
23 the following:

24 a. Damage Not Caused by PG&E. These are Proofs of Claim where the Reorganized
25 Debtors, after reviewing their books and records and any information submitted in connection with the
26 Proofs of Claim, have determined that the harm or damage described in the Proof of Claim was not

27 _____
28 ¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in
the Omnibus Objection.

1 caused by the Debtors. Accordingly, the Reorganized Debtors have determined they are not liable for
2 these amounts and the corresponding Proofs of Claim should be expunged.

3 b. Post-Petition Claims. These Proofs of Claim assert Claims for amounts that arose after
4 the Petition Date and, thus, do not represent prepetition liabilities of the Debtors subject to payment
5 through the chapter 11 claims process. Pursuant to Section 2.1 of the Plan, any Allowed Administrative
6 Expense Claim that is not due and payable prior to the Effective Date, shall be paid by the Debtors or
7 the Reorganized Debtors, as applicable, in the ordinary course of business, consistent with past practice
8 and in accordance with the terms and subject to the conditions of any orders or agreements governing,
9 instruments evidencing, or other documents establishing, such liabilities. Accordingly, there is nothing
10 for this Court to resolve with respect to any such Claims and any Proofs of Claim filed on account of
11 such Claims should be expunged and the surviving claims may be asserted and resolved in the ordinary
12 course of business.

13 c. Rule 14 Claims. Certain of the Proofs of Claim assert amounts for food losses, business
14 losses, or wage losses. Pursuant to Pacific Gas and Electric Company Tariff Electric Rule 14 (“**Rule**
15 **14**”), approved by the California Public Utilities Commission, PG&E is required to exercise “reasonable
16 diligence and care to furnish and deliver a continuous and sufficient supply of electric energy to the
17 customer, but does not guarantee continuity or sufficiency of supply.” Rule 14 goes on to provide that
18 “PG&E will not be liable for interruption or shortage or insufficiency of supply, or any loss or damage
19 of any kind of character occasioned thereby, if same is caused by inevitable accident, act of God, fire,
20 strikes, riots, war, or any other cause except that arising from its failure to exercise reasonable diligence.”
21 Accordingly, the Rule 14 Claims assert amounts for which the Debtors are not liable and the
22 corresponding Proofs of Claim should be disallowed and expunged.

23 A significant subset of the Rule 14 Claims assert Claims for food losses, business losses, or wage
24 losses arising out of or relating to the Public Safety Power Shutoff (“**PSPS**”) program, which aims to
25 reduce wildfire risks. The PSPS program, which began in 2018, involves proactive power shutoffs
26 during extreme weather events (*e.g.*, strong winds, very low humidity levels, critically dry vegetation,
27 and other on-the-ground, real-time observations from field crews). In preparation for this safety
28 measure, the Utility contacts customers directly and provides early warning notification, when and where

possible, via automated calls, texts and emails. Under Rule 14, the Debtors are not liable for any losses arising out of PSPS-related outages. Accordingly, the PSPS Claims assert amounts for which the Debtors are not liable and the corresponding Proofs of Claim should be disallowed and expunged.

The CPUC requires that all Claims be treated equally. Accordingly, the Reorganized Debtors are not permitted to pay any Rule 14 Claims without being required to pay *all* Rule 14 Claims. The same is true for the Rule 2 Claims described below.

d. Rule 2 Claims. Pacific Gas and Electric Company Tariff Electric Rule 2 (“**Rule 2**”) sets forth the general contours of the voltage provided to consumers. Rule 2(C)(1)(b) provides that voltage may be outside the limits specified when the variations (i) arise from the temporary action of the elements; (ii) are infrequent momentary fluctuations of a short duration; (iii) arise from service interruptions; (iv) arise from temporary separation of parts of the system from the main system; or (v) are from causes beyond the control of the Utility. Rule 2(E) states that customers are responsible for furnishing, installing, inspecting, and keeping in good and safe condition, at their own risk and expense, all protective devices required to protect customers’ property. Rule 2(E) further provides that “PG&E shall not be responsible for any loss or damage occasioned or caused by the negligence, or wrongful act of the applicant or of any of his agents, employees or licensees in omitting, installing, maintaining, using, operating or interfering with any such protective devices.” Certain of the Proof of Claim assert amounts for damages caused to electronics, appliances, pumps, and HVAC, which under Rule 2, the Debtors are not liable and the corresponding Proofs of Claim should be disallowed and expunged.

e. Statute of Limitations Passed. Certain of the Proofs of Claim assert Claims for which California’s three-year statute of limitations with respect to property damage (*see* Cal. Code Civ. P. § 338(c)(1)) expired before the Petition Date. Accordingly, the Debtors are not liable for such Claims and the corresponding Proofs of Claim should be disallowed and expunged.

5. If not disallowed and expunged, the No Liability / Passthrough Claims potentially could allow the applicable Claimants to receive recoveries to which they are not entitled.

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1 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and
2 correct to the best of my knowledge, information, and belief. Executed this twenty-fifth day of February,
3 2021, in San Ramon, California.

4 /s/ Renee Records
Renee Records